

14<sup>th</sup> December 2011  
NZX

### Restaurant Brands' Third Quarter Sales

Restaurant Brands' total sales for the third quarter (12 weeks ended 5<sup>th</sup> December 2011) were \$71.9 million, a decrease of 3.1% or \$2.3 million on the equivalent period last year. The sales reduction is primarily attributed to store closures in Christchurch following the earthquake and the disposal of Pizza Hut stores. Same store sales were down 0.9%.

KFC total sales were up \$0.5 million or 0.9% in the quarter (compared with a 6.2% increase in the prior year). Starbucks sales decreased 9.5% and Pizza Hut sales decreased by 16.8%.

KFC same store sales were down 1.6% (versus a 3.9% increase in the prior year). Starbucks had an increase of 6.8% and Pizza Hut saw a decline of 1.6%.

The Christchurch earthquakes continued to adversely affect total sales during the quarter. A total of four stores (one KFC and three Starbucks Coffee) in Christchurch city remained closed. Total estimated sales lost from the earthquake for the quarter are around \$1.1m.

#### KFC

Total KFC sales increased 0.9% or \$0.5 million over the prior year to \$55.1m (rolling over a 6.2% increase in the prior year). The earthquakes negatively impacted growth, accounting for about \$0.5 million in lost sales from the closed CBD store. Same store sales were down by 1.6%, rolling over a 3.9% increase on the prior year.

Successful promotions over the quarter included the *Peri Peri Zinger Burger* at the beginning of the quarter, *The Pack* and *The Burger Pack* providing customers with new sharers meal choices as well as the return of old favourites such as *Hot & Spicy Chicken* and *The Legendary Tower Burger*.

Year to date sales for KFC were \$183.0m, \$1.4 million up on the previous year to date, an increase of 0.8% in a total sales, although down 1.8% on a same store basis.

Total store numbers remained at 89 stores, up 1 on last year (with the Christchurch CBD store remaining closed for the entire quarter).

#### Pizza Hut

Total sales for Pizza Hut were down \$2.2 million or 16.8% on prior year to \$10.7m. Same store sales declined 1.6%. Store numbers are significantly down on the prior year, impacting the total sales, with the sale of 11 stores to independent franchisees (\$1.5m in sales) and 3 closures (\$0.3m in sales).

Although the quarter saw a same store sales decline reflecting the current difficult retail and competitive environment, the size of the decline was significantly reduced on the trend seen in the previous two quarters. This was from a combination of promotional

activity, operational focus and increased activity generated during the recent Rugby World Cup period.

This quarter's promotional activity included new product innovation with the *Mediterranean Mia* and *Footy Feast Meal* bundle, together with some strong customer value propositions such as the return of *The Slab* as well as the *\$5.90 Everyday Value* promotion.

During the quarter, three stores closed in the Upper North Island for one to two days due to disruption in gas supply and 4 stores were temporarily closed for up to 2 weeks for renovations in October and November.

Year to date total Pizza Hut sales were \$35.3 million, down 24.3% in total on prior year with fourteen less stores. Same store sales YTD were down 10.9%.

Store numbers were reduced by three with the sale of stores in Whakatane and Cambridge, and the closure of the Johnsonville store, bringing store numbers to 71, down fourteen on last year.

### **Starbucks Coffee**

Starbucks Coffee total quarterly sales were \$6.1 million, down \$0.6 million or 9.5% on the prior year, with three less stores than prior year as a result of store rationalisation, generally with lease end closures. A further three stores (with \$0.6 million lost sales) remained closed in Christchurch for all of the quarter as a result of the earthquakes.

However, overall Starbucks Coffee sales were up 6.8% on a same store sales basis. This continues the improving same store sales trend seen in the latter half of last year and is the highest quarterly same store growth since Q1 2008/9.

Year to date total Starbucks Coffee sales were \$20.1 million, down 9.6% in total on prior year with three less stores. Same store sales YTD were up 5.8%.

Store numbers were stable for the quarter although they are down by three due to store closures over the past year. Of the 35 stores, only 32 were actively trading because three earthquake affected stores in Cashel Mall, Cathedral Square and Colombo Street remain closed.

For further information please contact

Russel Creedy  
CEO  
Phone: 525 8710  
ENDS

Grant Ellis  
CFO/Company Secretary  
Phone: 525 8710

**RESTAURANT BRANDS NEW ZEALAND LIMITED**  
**Quarterly Sales Report**

**Summary of Results for the 3rd Quarter (Q3)**  
**(for the 12 weeks 13/9/2011 to 5/12/2011)**

	Q3 2011/12 (\$000's)	Q3 2010/11 (\$000's)	% change
<b><u>Q3 2011/12 vs Q3 2010/11</u></b>			
Total Store Sales - KFC	55,101	54,597	0.9%
Total Store Sales - Pizza Hut	10,708	12,863	-16.8%
Total Store Sales - Starbucks Coffee	6,106	6,749	-9.5%
<b>Total Store Sales</b>	<b>71,915</b>	<b>74,209</b>	<b>-3.1%</b>
Same Store Sales - KFC	53,143	54,008	-1.6%
Same Store Sales - Pizza Hut	10,692	10,870	-1.6%
Same Store Sales - Starbucks Coffee	6,103	5,714	6.8%
<b>Total Same Store Sales</b>	<b>69,938</b>	<b>70,592</b>	<b>-0.9%</b>
<b><u>YTD 2011/12 vs YTD 2010/11</u></b>			
Total Store Sales - KFC	183,013	181,648	0.8%
Total Store Sales - Pizza Hut	35,273	46,619	-24.3%
Total Store Sales - Starbucks Coffee	20,086	22,226	-9.6%
<b>Total Store Sales</b>	<b>238,372</b>	<b>250,493</b>	<b>-4.8%</b>
Same Store Sales - KFC	173,431	176,649	-1.8%
Same Store Sales - Pizza Hut	35,195	39,515	-10.9%
Same Store Sales - Starbucks Coffee	20,026	18,928	5.8%
<b>Total Same Store Sales</b>	<b>228,652</b>	<b>235,092</b>	<b>-2.7%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC	89	88	1
Qtr End no of Stores - Pizza Hut	71	85	-14
Qtr End no of Stores - Starbucks Coffee	35	38	-3
<b>Total Stores</b>	<b>195</b>	<b>211</b>	<b>-16</b>